

STATE SCHOOL AID UPDATE

Michigan Department of Education



May 2015

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STATE SCHOOL AID DATA UPDATED FOR MAY

The May state school aid payment is the 8th regular payment of the year and reflects 72.72% of the year's allocation for Sections 22a, 51c, and 22b as well as for most categoricals. Prior year adjustments are made at 100% in a single payment. The payment will post at the districts' banks on Wednesday, May 20, 2015.

Taxable value figures used to calculate the May payment represent the tax year 2014 values provided by county treasurers via the web-based taxable valuation collection process. Any revisions to taxable values received prior to May 5, 2015 were incorporated into the payment calculation. County treasurers should have reported by that date the taxable valuations as of the date that they settled with the local unit treasurers. The settlement numbers will have value changes from the July and December Boards of Review as well as any other changes since the fourth Monday in May 2014. Districts may want to contact their county treasurers to encourage them to report the revised values if it is apparent that they have not yet done so.

The **membership blend** used to calculate the May payment incorporated all Michigan Student Data System (MSDS) pupil (FTE) counts released to the Department as of May 1, 2015, the date the Department downloaded the pupil counts from the Center for Educational Performance and Information.

The following **categoricals** were updated in the May payment although the updates may not have affected the allocation amounts for all districts. If the allocation amount for your district has changed and you have questions concerning that change, contact the consultants identified below:

- Great Start Readiness - Section 32d (Pat Sargent, Office of Great Start/Early Childhood and Family Services, (517) 241-4741, SargentP@Michigan.gov)
- School Lunch - Section 31d (Dawn Harris, School Support Services, (517) 373-4335, HarrisD6@Michigan.gov)
- STEM Professional Development - Section 99b (Ruth Anne Hodges, Education Improvement and Innovation, (517) 241-2219, HodgesR3@Michigan.gov)
- Postsecondary Enrollment Incentive - Section 64b (Christopher May, State Aid and School Finance, (517) 335-1263 MayC@Michigan.gov) (see related item below)

SECTION 64B DUAL ENROLLMENT INCENTIVE PAYMENTS

The May 2015 State School Aid payment is the first to include the new Section 64b Dual Enrollment Incentive payments for districts that submitted eligible claim forms. Incentive payments of up to \$60 per student per year are available to districts that support those students' enrollment in postsecondary options, including dual enrollment and concurrent enrollment programs. The claim form that includes eligibility information and submission instructions can be accessed at http://michigan.gov/documents/Section64bClaimSheet_476228_7.xlsx. Questions regarding this program may be directed to Christopher May at MayC@Michigan.gov.

BEST PRACTICE REPORTING

June 1, 2015 is the deadline for submission of Section 22f Best Practice Resolutions and compliance with those requirements chosen. This year, districts must meet at least seven of nine best practices identified in the statute and submit a Board adopted resolution confirming the district's eligibility. The Department's Best Practice Guidance that identifies the criteria, including a sample resolution, may be found [here](#). If you have submitted a resolution but are not yet receiving funds, there may be an issue with your submission. We may not have received your resolution because it was sent to an incorrect e-mail address. There could be compliance issues, which typically stem from requirements B and E. Best Practice funds will be forfeited by those districts not in compliance by June 1, 2015. Questions related to requirement E should be directed to Chad Urchike at UrchikeC1@Michigan.gov or (517) 335-1261. For any other questions related to this item, please contact John A. Hayner at (517) 241-0495 or HaynerJ1@Michigan.gov.

Updated clarification on requirement G: The Department has been provided with the legislative intent of requirement G. This requirement was to incentivize schools to make sure bargaining agreements did not contain prohibited subjects. Schools that do not have a collective bargaining agreement qualify for requirement G because if there is no agreement, then there is no agreement to contain the prohibited subjects.

INDIRECT COSTS

Current indirect cost rate information is available at:

http://mi.gov/mde/0,1607,7-140-6530_6605-118785--,00.html. The new rate information includes Special Education rates for 2014-2015 and preliminary rate information for 2015-2016. Form R0418a, *Costs for the Development of 2015-2016 Federal Indirect Cost Rates* details the cost data used to calculate preliminary indirect cost rates. Form R0418, *Carryforward Calculation for 2015-2016 Federal Indirect Cost Rates* shows the results of the preliminary calculation. Form DS-4513 allows a district to edit preliminary cost information to reflect more accurate indirect cost rates. Form DS-4513 is due by June 1, 2015. If you have any questions or comments, please contact Phil Boone at (517) 335-4059 or BooneP2@Michigan.gov.

SECTION 31A AT-RISK PROGRAM REPORTS DUE JULY 15, 2015

Local districts and public school academies receiving fiscal year 2015 funds under Section 31a At-Risk are required to submit the fiscal year 2015 Section 31a Program Report to the Department by **July 15, 2015**. The Section 31a Program Report is available in the Michigan Electronic Grants System *Plus* (MEGS+) at <https://mdoe.state.mi.us/MEGSPLUS/>. If the report is not submitted by July 15, 2015, an amount equal to the district's Section 31a August installment will be withheld from the August state aid payment as required by language in Section 31a of the State School Aid Act. These funds will be forfeited if the report is not received by September 30, 2015. If you have questions regarding the Section 31a program and reporting requirements, please contact Lee Craft, Section 31a Consultant, Office of Field Services, at (517) 373-6066 or CraftL1@Michigan.gov. If you have MEGS+ related questions, please contact Judy Thelen, Analyst, Office of Field Services, at 517-335-1266 or ThelenJ8@Michigan.gov.

DEFICIT DISTRICT INFORMATION

Deficit Elimination Plans for districts or academies incurring a negative general fund balance as of June 30, 2015 or whose Board has adopted a 2015-2016 deficit budget are due to the Department 30 days after the local school board adopts the budget or 30 days after the state school aid budget is enacted, whichever is later. Districts having incurred a negative general fund balance as of June 30, 2015 should contact the Office of State Aid and School Finance as soon as possible to begin planning their Deficit Elimination Plan submissions, if they have not already done so. Current Deficit Elimination Plan forms are available on the Department's website at: http://www.michigan.gov/mde/0,1607,7-140-6530_6605-106599--,00.html. Questions related to a Deficit Elimination Plan should be directed to Jeff Kolb, Office of State Aid and School Finance, at (517) 373-1908 or by e-mail at KolbJ2@Michigan.gov or Chad Urchike at (517) 335-1261 or UrchikeC1@Michigan.gov.

MAY REVENUE ESTIMATING CONFERENCE

Leaders from the House and Senate Fiscal Agencies and the State Treasurer met for the May Revenue Estimating Conference on May 15, 2015. The purpose of the conference was to reach a consensus on the current fiscal year (2014-2015) revenues and the projected revenues for fiscal year 2015-2016. The new consensus estimate for fiscal year 2014-2015 school aid fund revenues is \$5.9 million lower than was agreed to in January 2015 while the estimated general fund revenues for the year have been increased by \$226.5 million. Projected revenue for the fiscal year 2015-2016 school aid fund is down \$20.8 million while the general fund projection is up \$168.7 million. These numbers and the failure of Proposal 1 at the polls on May 5, 2015 could have an impact on the fiscal year 2015-2016 budget discussions taking place. For more information regarding the revenue estimating conference, check the House Fiscal Agency website (www.Michigan.gov/HFA) and/or the Senate Fiscal Agency website (www.Michigan.gov/SFA).

GENERAL INFORMATION

- The proration factor for Section 31a At-Risk funding is \$317.6811988798 per pupil.
- The proration factor for the Section 22j Performance Based funding is .9977004917.
- The Headlee Obligation for Data Collection funds are paid out at a rate of \$24.9826363101 per pupil.

*Do you have questions about the information appearing in this UPDATE? Call the consultants identified above or **Dan Hanrahan, Director, State Aid and School Finance, MDE**, phone: (517) 335-0521, fax: (517) 241-0196, e-mail: HanrahanD@Michigan.gov